



**FOR IMMEDIATE RELEASE
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MICHIGAN'S STEEL AND ORE INDUSTRIES JEOPARDIZED BY PRESIDENT'S REVERSAL ON TRADE

LANSING - Democratic State Senators Ray Basham (D-Taylor) and Michael Prusi (D-Ishpeming) stated today that the survival of Michigan's steel and ore industries may have been put in doubt by President Bush's announcement that he will lift steel tariffs that he had imposed on foreign steel imports just last year.

"I wish the President would take some time off from his fundraising schedule to visit our Downriver steel plants and see for himself the plight of the steel industry in America," Sen. Basham said. "Many of these steelmakers are teetering on the brink of bankruptcy and their workers and retirees worry every day about lost jobs, lost pensions and dwindling health care. We should not allow our domestic economic policy to be influenced by threats from foreign governments"

Sen. Prusi said, "The President's removal of the tariffs deals a severe blow to a vital industry still struggling to recover from an unfair assault by foreign producers. He seems to be caving to the threat of a trade war by unilaterally disarming the iron and steel segment of our industrial economy. The removal of the tariffs will have a tremendous negative impact on our iron mines in the U.P. Our only customers, the integrated steel industry, will once again be under assault from foreign steel companies who refuse to play by the rules."

The policy reversal by the Bush administration is seen by many as buckling under to pressure from foreign governments that had been threatening retaliation measures.

Tariffs of 8 to 30 percent on certain types of foreign steel were enacted in March 2002 to stop foreign steelmakers from dumping cheaper imports on the U.S. market and to provide the domestic steel industry time to restructure and recover. Since 1997, 41 steel companies have declared bankruptcy, eliminating more than 50,000 jobs. The lifting of the tariff protections comes at a critical time when state officials are working to keep the Great Lakes Steel Plant in Ecorse operational.

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Sen. Basham also said, “The International Trade Commission was unanimous in finding that there were significant amounts of illegally dumped foreign steel in the U.S. market. We have a right to protect our domestic industries from unfair trade practices and a responsibility to keep good jobs here in America.”